

Message Text

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PAGE 01 CARACA 06714 072016Z
ACTION ARA-14

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FM AMEMBASSY CARACAS
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PASS TO OED/MEPD AND OIM

E.O. 11652: NA
TAGS: BENC, VE
SUBJECT: MAJOR PROJECT: CARACAS METRO AND CARACAS
PEOPLE MOVER PROJECTS

REF: CARACAS 6234

1. IN LIGHT OF COMMENT BY PULLMAN-STANDARD PRESIDENT
MCDIVITT TO AMBASSADOR THAT HE INTENDED TO OPEN CONVERSATIONS
WITH WESTINGHOUSE WITH A VIEW TOWARDS SUBMITTING A
NEW COMBINATION BID TO THE CARACAS METRO PROJECT OFFICE,
EMBASSY HAS REVIEWED THE SITUATION INTERNALLY AND OFFERS THE
FOLLOWING COMMENTS:

2. SOURCES CONTACTED EARLIER REGARDING THE POSSIBILITY
OF A COMBINED BID, I.E., GONZALEZ LANDER, JESUS
ALVAREZ FERNANDEZ, FRED BUNTING OF PARSONS BRINCKERHOFF,
TUDOR, BECHTEL (PROTECT THIS SOURCE) AND WESTINGHOUSE
CLEARLY ESTABLISHED THAT THE CALL FOR BIDS IMPLIES THAT
THE METRO PROJECT OFFICE CAN ACCEPT ALL OR ANY PART OF
EACH CONSORTIUM'S BID PROPOSAL. AS REPORTED REFTTEL, METRO
PROJECT OFFICE FELT PULLMAN-STANDARD AND WESTINGHOUSE
OFFERS WERE EXCELLENT IN CERTAIN AREAS, I.E., CARS AND TRAIN
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CONTROLS, WHILE HIGH-PRICED IN OTHER AREAS. HOWEVER, BOTH
GONZALEZ LANDER AND BUNTING ADVERSE TO DIS-AGGREGATING
BIDS FOR ADMINISTRATIVE AND TECHNICAL REASONS.
FORMAL PRESENTATION OF A NEW JOINT OFFER BY
WESTINGHOUSE AND PULLMAN-STANDARD TECHNICALLY WOULD
REQUIRE DECLARING THE ENTIRE BID PROCESS VACATED. IF A HIGH
LEVEL POLICY DECISION WERE TAKEN TO DO THIS, SUCH A COURSE

OF ACTION IS OF COURSE ENTIRELY POSSIBLE IN VENEZUELA. HOWEVER,
OUR PRESENT READING IS THAT PEOPLE DIRECTLY INVOLVED WOULD
FIERCELY RESIST THIS COURSE OF ACTION.

3. IT OCCURS TO US THAT WESTINGHOUSE AND PULLMAN-STANDARD
MIGHT WISH TO CONSIDER A DIFFERENT LINE OF
ATTACK AS, IF, AND WHEN THEY CAN DISENTANGLE THEIR LEGAL
RELATIONSHIPS IN THE UNITED STATES. THE TWO CONSORTIUM
LEADERS COULD ADVISE THE METRO PROJECT OFFICE THAT
EACH INDIVIDUAL COMPONENT OF THE TWO CONSORTIA BIDS ARE
BEING MAINTAINED AS OFFERED BUT THAT THE MEMBERS HAVE
AGREED TO CONSIDERATION OF THEIR OFFERS ON A SEPARATE,
INDIVIDUAL BASIS. CONCURRENTLY PULLMAN-STANDARD AND
WESTINGHOUSE SHOULD OFFER A GUARANTY THAT THEIR INDIVIDUAL
COMPONENTS ARE FULLY COMPATIBLE AND WOULD OPERATE
SATISFACTORILY AS A SYSTEM.

4. WE HAVE DISCUSSED THIS SUGGESTION WITH WESTINGHOUSE
REP HERE AND WILL DO SO NEXT WEEK WITH CISNEROS GROUP
REPRESENTING PULLMAN-STANDARD.

5. WITH REGARD TO PEOPLE MOVER PROJECT, IT IS INTERESTING TO NOTE
THAT THE PRIME MOVER ON THE GOVERNMENT SIDE FOR THIS
PROJECT, JESUS ALVAREZ FERNANDEZ, RECENTLY HAS APPEARED IN
NEWSPAPER REPORTS AS ACTING VICE MINISTER OF THE MINISTRY OF
TRANSPORT AND COMMUNICATIONS. WESTINGHOUSE REPORTS THAT
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DELFINO'S PROJECT MANAGER HAS BEEN IN EUROPE RECRUITING ENGINEERS
FOR PROJECT DEFINITION AND THAT IT APPEARS AS THOUGH
THE DELFINO GROUP IS CONTENT WITH PROCEEDING WITH A RESTRICTED
TEST LINE ALONG THE COAST AS ORIGINALLY CONTEMPLATED. VAKY

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Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Event:
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Handling Restrictions: n/a
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TAGS: BENC, VE
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